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Second country cooperation framework for Saint Helena (2001-2004)

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I. Introduction

1. The second country cooperation framework (CCF) for Saint Helena covers the period 2001 to 2004. It has been prepared by the Government in full consultation with UNDP. It reflects issues identified within the strategic review of the Government, the contents of which were discussed with stakeholders at every level involving the electorate, the elected members of the Legislative Council and the Executive Council, as well as the private sector. The involvement of the Government of the United Kingdom has been constant during the process, and involved a review of the 1997-1999 programme, which had been extended by a year to include 2000. Of equal importance was the country review which identified the parameters contained in this CCF, embracing government development priorities, as expressed in the previous CCF, and the first national human development report (NHDR) published in 1999.

II. Development situation from a sustainable human development perspective

2. Among all the countries receiving assistance from UNDP, Saint Helena is virtually unique. This is not so much because it is an overseas territory and dependency of the United Kingdom, from which it receives grant-in-aid towards both its current budget and its public-sector investment programme. It is unique as a result of its extreme geographical and physical isolation. There is no access by air to Saint Helena. The nearest landing facility is Wideawake Airfield on Ascension Island, which is used by the air forces of the United Kingdom and the United States. Access to Saint Helena can only be gained by sea. The duration of voyages between Saint Helena and Ascension Island vary between 44 and 48 hours, depending on whether the sailing direction is northerly or southerly. The island is supplied and served by the Royal Mail Ship (RMS) St. Helena which makes four round trips a year between the United Kingdom and South Africa with intermediate stops in Tenerife and Ascension Island, and occasionally Vigo and Banjul if there is cargo to load or unload. The vessel also operates several shuttle services between Saint Helena and Ascension Island and Saint Helena and Cape Town. This adds up to a maximum of 25 calls a year at Saint Helena. As there are no safe deep-water port facilities available in the country, all vessels must anchor offshore and all freight and passengers must be transferred by lighter or small motor boats. The fundamental question of access, therefore, affects every perspective of daily life and sustainable human development. Through the use of modern technology, Saint Helena can communicate with the rest of the world in an instant, but its inhabitants cannot go where they want when they want, receive goods and commodities or export them on that same basis. While the contents of this CCF embody government-stated development priorities for the next four years, which are in full accord with those laid down by the Executive Board for UNDP, their implementation must take full cognizance of the basic constraints mentioned above.

3. The current population of Saint Helena is estimated to be 6,000, of whom some 1,400 are engaged in offshore employment in Ascension Island (540), the Falkland Islands (400), the United Kingdom (370), and the RMS St. Helena (90). The most serious consequence of offshore employment remains the loss of trained personnel — often to perform menial jobs overseas at higher wages. The

government departments most affected are those in health and education. There is also a disturbing gender imbalance whereby over 60 per cent of offshore workers are male, of whom more than half are unmarried. There is a discernible demographic trend towards an ageing population with the concomitant concern of the country's ability to sustain basic services and infrastructure. With the early prospect of citizens of Saint Helena regaining their British citizenship and a possible decrease in the offshore employment market, thus prompting a surge of emigration, the impact of these factors on the country's economic and social development would be extremely serious. In essence, they would lead to more dependence, not less. The whole policy of the Government is to achieve greater independence.

4. The financial assistance provided to Saint Helena by the Government of the United Kingdom is not only considerable but also essential for maintaining the present quality of life. The current agreement covering the three-year period ending 31 March 2003 amounts to $42.3 million, of which budgetary grant-in-aid accounts for $18.8 million, with the balance divided between development aid, technical assistance and the shipping subsidy for the RMS St. Helena. It is highly unlikely that there will be any increased grant-in-aid in any future aid framework. Inflation to mid-2000 was at a level of 0.6 per cent. However, since July 2000 there have been two freight charge increases. When the impact of these charges reaches the consumer in the very near future, inflation will increase further.

5. While gross domestic product (GDP) at $3,870 per capita appears to be relatively high, this figure includes the injection of grant-in-aid. Therefore, the real GDP, calculated in terms of what is generated locally, is considerably less. While all government employees received a salary increase effective on 1 April 2000, there has been no major economic development that has boosted GDP, or is likely to do so within the next three years at least. A further negative impact could involve the future status of Ascension Island, which is a dependency of Saint Helena. If the United Kingdom decides to propose a change in its status, it could have a negative impact on the economy of Saint Helena, if it means a reduction in offshore employment and a loss of the revenue currently accruing to Saint Helena from the granting of fishery licences in Ascension Island waters.

6. An air- and sea-access comparative study is now under way, financed by the Department for International Development (DFID) of the United Kingdom as part of its current aid package. This will determine the most cost-effective way forward, either by replacing the RMS St. Helena at the end of its serviceable life in 2008, or by investing in air access. DFID has given its commitment to fund the least-cost option. Two expressions of interest have been made to provide an air service for which the Government is awaiting formal proposals. Until access to Saint Helena is radically improved, there can be no significant development of tourism or any other sustainable aspects of the economy.

7. The European Development Fund (EDF) has made $6.7 million available to develop the wharf at Jamestown, the country's capital and only landing area. The approval of this project by the EDF Committee would be more certain if it had the wholehearted support of the Government of the United Kingdom. One of the critical issues to its success is the internal rate of return, for which DFID has indicated 8 per cent as an acceptable minimum. The Government is in ongoing dialogue with DFID on this aspect, which may require further economic analysis.

8. Government sustainable development priorities remain unchanged from those expressed in the first CCF, the NHDR, and the country review. The key issue is human development in all aspects pertaining to Saint Helena today. This covers, inter alia, vocational training, retraining, capacity-building, private-sector development, and support to vulnerable groups, such as the elderly, the disabled and the unemployed. The Statistical Office is now investigating the conditions of living standards with samples drawn from these groups. It combines qualitative and quantitative data collection methods and should provide insights into both social exclusion and relative poverty levels.

9. A major effort is being devoted to introducing information technology in the Government and throughout the country's schools. An information-technology specialist from United Nations Volunteers (UNV) is being sought to work with the Education Department to develop skills at all levels within the school system, particularly with regard to networking and web-site use, so that maximum benefit may be derived from the cyber suites at Prince Andrew Secondary School. Information technology is the country's window to the world and will help to reduce its sense of isolation tremendously.

III. Results and lessons of past cooperation

10. During the past four years, the programme in Saint Helena has concentrated on two main multi-purpose projects: (a) umbrella training and consultancies to support sustainable livelihoods; and (b) tourism-sector employment and private-sector development. As the Government has and continues to identify unemployment as the cardinal challenge to the country's survival, supporting the private sector in attacking unemployment has been given prominence. The goal is to decrease progressively its dependency on grant-in-aid from the United Kingdom. The promotion of long-term sustainable human development in Saint Helena is an extremely difficult task within the country's overall economic and geographical situation.

11. Excellent progress has been made in strengthening the capacity of the Government to identify, prepare, manage and monitor development activities closely and successfully, whether it is supported by UNDP or, on a much larger scale, by the United Kingdom. In-country training courses, the provision through UNV of a statistical adviser, and the crucial addition of an Intranet technology component, not only in the Development and Economic Planning Department but in other government departments and in Prince Andrew Secondary School, have all contributed to this improvement. The government web site is in the final stages of development and a tourism web site is about to be designed. These will provide much needed global exposure for Saint Helena, both as a tourist destination and an inward investment opportunity.

12. A high-quality NHDR was published in September 1999. It was prepared by a group of individuals who for the most part were government officials, given the lack of university research institutes or local consultants in Saint Helena. They contributed as a team which operated independently. It is neither a government nor a UNDP report, fully in keeping with the spirit and letter of all such reports. It highlights, in a clear manner, the major issues of economic and social importance affecting the whole population. The country's natural resources are extremely

limited and their development exacerbated as a result of geographical isolation. While its present standard of living is largely dependent on external aid, human development in all its aspects is the key to the future.

13. While tourism-sector employment and private-sector development are making good progress, thanks to a number of applied vocational-training projects, the prospect of their gaining long-term employment depends on the number of tourists the country can attract. At present, only a thousand tourists spend more than one night per year in the country. This figure is unlikely to increase significantly in the near future unless access is improved, either through the construction of an airfield and/or significant upgrades to landing facilities at Jamestown Wharf, together with an increase in ships calling there. There will not be a great deal of increased private-sector development in Saint Helena for as long as the access status quo remains.

14. Both projects, in revised form, will continue in the new CCF. The capacity-building aspect of the umbrella-training programme will continue to provide assistance in developing information technology. During the tripartite review, agreement was reached to include two further dimensions. The first is a country-wide scientifically based study to determine the causes of the contamination of the island's water supply. The second is to provide fisheries with remote-sensing equipment to enable Saint Helena to protect, far more effectively than at present, its own legal territorial waters. Tourism development will be enhanced further through the promotion of 21 May 2002 celebrations surrounding the quincentenary of the island's discovery.

15. The other positive result of the past four years has been improved communications between UNDP and Saint Helena. Despite the logistical difficulty of individual visits in each direction, they are occurring with more frequency — there were virtually none beforehand. The enhanced calibre of the programme reflects the positive impact of this improved communication. The full awareness of the country's isolation has meant that there are now more realistic work plans, especially where their successful and timely realization depends on the delivery of items of equipment and the arrival of consultants.

Lessons learned

16. While national execution was the prevailing modality for project execution and implementation during the period 1997 to 1999, some disruption of programme-implementation activities occurred, mainly because of: (a) the inaccessibility of the island, which lengthens the delivery time for key inputs; (b) the limited experience of government counterpart agencies with the national-execution modality; and (c) the fact that there is no UNDP presence in the country, which encumbered follow-up on programme issues.

17. In the absence of a country office, therefore, UNDP has directed attention to the training of national personnel and to supporting executing and implementing agencies. Appropriate training was provided for national project managers and financial officers on financial monitoring, reporting and implementation strategies, in order to ensure that accounting and auditing requirements are met and to address implementation issues encountered in the past. Furthermore, the financial information management (FIM) system was installed on the premises of the government counterpart agency and personnel was trained in its use.

18. As a result, significant progress was made in terms of programme delivery, facilitated also by the appointment of a new government counterpart in charge of the implementation of the UNDP programme. Within this context, delivery is expected to increase further in years to come, thanks to better coordination of activities between UNDP headquarters in New York and Jamestown.

19. Saint Helena is also expected to be further involved in activities of the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) region, by benefiting from regional initiatives, such as training and regional meetings. For that purpose, the following proposals are being considered for the period 2001 to 2004: (a) developing a system of mentoring from an experienced country office, with particular emphasis on the exchange of country office personnel and the sharing of best practices; and (b) keeping Saint Helena fully informed of all significant events held in the RBEC region.

20. The implementation of all operational projects (STH/97/001 and STH/98/001) will continue in the first years of the new CCF.

IV. Objectives, programme areas and expected results

A. Furthering development assistance capacities

21. The continuation of the umbrella project in capacity-development, with its revised and additional dimensions, is a major component of the new CCF. It enhances the quality of life by improving the country's supply of piped water. It protects one of the country's most valuable, slender natural resources — offshore fisheries. It helps the country take advantage of the huge advances in the development of communications by improving access to and enhancing skills in up-to-date information technology. In each of these key areas, the programme follows the stated priorities of the Government.

22. Although unemployment has dropped from over 450 individuals two years ago to 300 today this reflects a rise in offshore work more than any significant increase in local employment. Faced with the dual uncertainty caused by an ageing population and overall depopulation resulting from the increased emigration of younger people, the new CCF seeks to provide services and assistance to enable the elderly to remain at home in comfort and, if sufficient funds permit, to retrain the long-term unemployed. The latter would concentrate on developing the necessary skills for blue-collar middle management, of which there is an acute shortage, and on raising the skills base of those lacking the expertise to be attractive to potential employers.

23. Saint Helena is hoping to gain widespread publicity, through the introduction of its tourism web site and through greater media coverage, for its quincentenary celebrations in May 2002. The success of this significant event could have a positive input on the country's tourism development and might lead to a speedier resolution of the all-embracing access issue. The coordination of these celebratory events is therefore of considerable importance.

B. Sustainable development: developing a national strategy

24. Within the government strategic review for sustainable national human development, and in accordance with the recommendations of the country's first NHDR, UNDP assistance is being sought in the following priority areas.

A thorough scientific testing of the country's water supply

25. Ninety-nine per cent of the population is supplied with water through the Water Authority, which uses fourteen separate supply systems to do so. Treated water reaches 87 per cent of consumers. Despite considerable United Kingdom assistance in water development and filtration, with the prospect of further improvements in catchment, storage and pipelines, serious concerns exist over the quality of the water supplied in order to meet the 1971 World Health Organization (WHO) standard. Unacceptable bacteriological levels have been discovered in some supplies. In order for the Government to meet its commitment to provide all its citizens with clean water, UNDP will fund the undertaking of multiple sampling and testing exercises and the materials required to carry out pipe-work maintenance once the source of contamination has been identified.

Increasing the revenue from fishery resources

26. The revenue accruing to Saint Helena from the legal exploitation of fishery resources within its exclusive economic zone (EEZ), and that of Ascension Island, is a most important revenue item. Current revenue from fishing licences granted to international fishing companies to utilize these waters is some $1,045,000 per year. While all licensed vessels submit weekly reports on their activities under the terms of their licences, there is no way of either checking their accuracy or discovering and identifying illegal vessels. Remote-sensing technology will be established with specialist equipment and assistance so that information on vessel movements will be sent via satellite link to the Fisheries Directorate Office. By providing a monitoring and regulatory mechanism enhancing the management of offshore and coastal marine resources, UNDP will be helping the Government to increase its revenue, thereby decreasing its dependence on budgetary grant-in-aid from the United Kingdom.

Services and aids to enable the elderly to remain at home

27. Community nurses who currently visit a number of elderly people in their own homes find that some of them are inaccessible by car in wet weather and some lack telephones, electricity and other special aids, such as handrails. If these services are not provided, these people will have to be moved into sheltered accommodations. Surveys will be conducted by social workers and community nurses. Work plans will be drawn up for the provision of requisite aids and services which will then be provided. The services of a UNV volunteer will be sought to assist in the implementation stage. This aspect of the programme meets fully the government objective to safeguard the well-being of its citizens.

Retraining scheme for the long-term unemployed

28. Unemployment has already been identified as one of the main problems Saint Helena faces. Of particular concern is the situation of the long-term unemployed

who account for over half of the total and who have been jobless for more than a year. Many of them do not possess the required skills to be reintegrated into the workforce and the fact that they have been unemployed for so long often weakens their chances for re-employment. A retraining programme is needed to cater for those who are at the greatest risk of not finding a job again. A survey will be conducted to ascertain the actual numbers involved and the skills required. Thereafter, a pilot retraining scheme will be initiated involving work-based training for adults. The programme may entail a combination of work experience, training and approved qualifications and could then be linked to the present three-day work scheme.

29. Future possible activities under consideration by the Government in 2003/2004 for UNDP assistance include the development of offshore fishing; distance learning (the purchase of materials and the payment of course fees); and development of the public library and extension of the intranet. Political and official endorsement, and their prioritization, obviously would be required beforehand, which is not the case at present.

V. Management arrangements

A. Execution and implementation

30. During the first CCF, the national execution modality was used in association with the United Nations Office for Project Services (UNOPS) and the Sustainable Development Networking Programme (SDNP). Part of that programme was devoted to strengthening the capacity of the Department of Economic Planning and Development and has been successfully implemented. Training courses were held in Saint Helena in November 1998 and May 1999 covering all aspects of the programming period and involved all staff having responsibility for the overall programme. This was augmented by visits from SDNP and RBEC staff.

31. A UNV volunteer arrived in late April 1999 to serve as a statistician and was the first person from the United Nations family to reside and work in Saint Helena. She will be joined by two more UNV volunteers shortly under the current and future programme, thus demonstrating its growth and effectiveness.

32. With neither its own country office nor a regional representative with direct responsibility for programme matters, the country's direct link is with RBEC in New York. Considerable improvement has been achieved over the past three years with visits to Saint Helena made each year, despite the logistical constraints involved. The present Chief Development Officer also visited New York earlier this year. The Governments of Saint Helena and the United Kingdom warmly welcome this increased collaboration, especially if it enables Saint Helena to have increased information on, and access to, the wider aspects of UNDP. As recommended in the country review, this should include both regional, interregional and global programmes.

B. Monitoring, review and reporting

33. Projects are reviewed within the country on a regular basis and in accordance with each individual work plan. All requisite reports and work plans, together with proposals for project revisions, are sent to RBEC in accordance with current UNDP operational procedures. Tripartite reviews of the two projects comprising the first CCF were held earlier this year in Saint Helena and involved the Government, RBEC and UNOPS. These followed the country review which was conducted in the United Kingdom two months earlier by RBEC, the Chief Development Officer and a consultant who had carried out a training needs and assessment mission to Saint Helena in April-May 1999. The Country Review Team also held discussions with DFID in London.

C. Resource mobilization

34. Increased collaboration has been achieved with DFID in the course of the current CCF. This is to ensure the closest complementarity between UNDP-supported activities and the much larger United Kingdom aid programme to Saint Helena. The contents proposed for inclusion in the new CCF have also been discussed with DFID, not only during the course of the country review but also during the preparation of this document.

Annex

Resource mobilization target table for Saint Helena (2001-2004)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP regular resources		
Estimated carry-over into 2001	753	Includes carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	172	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	10	
Subtotal	**935***	
UNDP other resources		
Government cost-sharing	-	
Third party cost-sharing	-	
Funds, trust funds and other	-	
Subtotal	-	
Grand total	**935***	

Abbreviations: AOS = administrative and operational services; TRAC = target for resource assignment from the core; SPPD = support for policy and programme development; STS = support for technical services.

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.